

IRAS e-Tax Guide

**Property Tax: Budget 2010
New Progressive Property Tax Regime (PPTR)
for Owner-Occupied Residential Properties with
effect from 1 January 2011**



INLAND REVENUE
AUTHORITY
OF SINGAPORE

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Table of Contents

	Page
Overview	1
Budget 2010: New Progressive Property Tax Regime (PPTR) for Owner-Occupied Residential Properties with effect from 1 January 2011 & Eligibility	1
Cessation of 1994 GST Rebate	2
Illustrations of Property Tax Computation with effect from 1 January 2011	2
• Example 1	2
• Example 2	3
• Example 3	3
Property Tax Calculator for 2011	4
Property Tax Bills for 2011	4
Contact Information	4

1. Overview

- 1.1 This guide explains the new Progressive Property Tax Regime (PPTR) for owner-occupied residential properties as announced by the Government in Budget 2010 on 22 February 2010.
- 1.2 It also provides information on the cessation of the 1994 GST Rebate¹.

2. Budget 2010: New Progressive Property Tax Regime (PPTR) for Owner-Occupied Residential Properties with effect from 1 January 2011 & Eligibility

- 2.1 Currently, home owners who are eligible for the owner-occupier concession pay property tax at a flat rate of 4%² on the Annual Values of their properties. Owners of non owner-occupied residential properties and other properties are taxed at 10%.
- 2.2 As announced in Budget 2010, the PPTR which will take effect from 1 January 2011 for owner-occupied residential properties will replace the existing owner-occupier's concessionary tax rate of 4%.
- 2.3 The PPTR applies progressive owner-occupier tax rates to the Annual Values of owner-occupied residential properties as follows:

Annual Value	Tax Rate
First \$ 6,000	0%
Next \$59,000	4%
Above \$65,000	6%

- 2.4 The new PPTR will be available to individual owners or a married couple who owns and lives in the residential property. The PPTR can be granted to only **one** residential property at any one time. A residential property owned by a company, association or a body of persons does not qualify for the concession even if its staff lives in the residential property.
- 2.5 Home owners who are currently eligible for the owner-occupier's concessionary tax rate of 4% do not need to submit a fresh application for the new PPTR.
- 2.6 Home owners who are newly eligible and wish to apply for the owner-occupier concession may do so via IRAS' *myTax Portal* (<https://mytax.iras.gov.sg/ESVWeb/default.aspx>) using their *SingPass*.

¹ Property Tax (Owner-Occupied Residential Premises)(Remission) Order 1994

² Property Tax (Rate for Owner-Occupied Residential Premises) Order 1990

3. Cessation of the 1994 GST Rebate

- 3.1 Since April 1994, owner-occupied residential properties with Annual Values below \$10,000 have been entitled to GST rebates ranging from \$25 to \$150, depending on the Annual Values of their properties, as shown below.

Annual Value	1994 GST Rebate (applicable from 1994 to 2010)
\$5,000 and below	\$150 or the actual tax, whichever is lower
\$5,001 to \$6,000	\$125
\$6,001 to \$7,000	\$100
\$7,001 to \$8,000	\$ 75
\$8,001 to \$9,000	\$ 50
\$9,001 to \$9,999	\$ 25
\$10,000 and above	No rebate

- 3.2 With the introduction of the new PPTR, the 1994 GST rebate will lapse on 31 December 2010.

4. Illustrations of Property Tax Computation with effect from 1 January 2011

4.1 Example 1

The Annual Value of an owner-occupied residential property is **\$6,000**. The annual property tax from 1 January to 31 December 2011 will be \$0.

Property Tax based on existing 4% concessionary tax rate & 1994 GST Rebate:

\$6,000 @ 4%	= \$240	
Less: 1994 GST Rebate	= <u>\$125</u>	
Property Tax payable before 2011	= \$115	[A]

Property Tax based on the new PPTR

First \$6,000 @ 0%	= \$0	
Property Tax payable from 2011	= \$0	[B]
Tax Savings	= <u>\$115</u>	[A - B]

4.2 Example 2

The Annual Value of an owner-occupied residential property is **\$24,000**. The annual property tax from 1 January to 31 December 2011 will be \$720.

Property Tax based on 4% concessional tax rate & 1994 GST Rebate:

\$24,000 @ 4%	=	\$960	
Less: 1994 GST Rebate	=	<u>\$ 0</u>	
Property Tax payable before 2011	=	\$960	[A]

Property Tax based on the new PPTR:

First \$6,000 @ 0%	=	\$ 0	
Next \$18,000 @ 4%	=	<u>\$720</u>	
Property Tax payable from 2011	=	\$720	[B]
Tax Savings	=	<u>\$240</u>	[A - B]

4.3 Example 3

The Annual Value of an owner-occupied residential property is **\$80,000**. The annual property tax from 1 January to 31 December 2011 will be \$3,260.

Property Tax based on 4% concessional tax rate & 1994 GST Rebate:

\$80,000 @ 4%	=	\$3,200	
Less: 1994 GST Rebate	=	<u>\$ 0</u>	
Property Tax payable before 2011	=	\$3,200	[A]

Property Tax based on the new PPTR:

First \$6,000 @ 0%	=	\$ 0	
Next \$59,000 @ 4%	=	\$2,360	
Remaining \$15,000 @ 6%	=	<u>\$ 900</u>	
Property Tax payable from 2011	=	\$3,260	[B]
Tax Increase	=	<u>\$60</u>	[B - A]

5. Property Tax Calculator for 2011

- 5.1 Owners who wish to estimate their property tax payable for the period 1 Jan 2011 to 31 Dec 2011 under the new PPTR, can do so using the IRAS Property Tax Calculator on IRAS' website at www.iras.gov.sg (For Home Owners | Calculator for 2011 Property Tax for Owner-Occupied Residential Properties).

6. Property Tax Bills for 2011

- 6.1 All eligible residential property owners will receive their Property Tax bills for 2011 from November 2010 .

7. Contact Information

- 7.1 For any clarification, please contact:

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